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FISCAL IMPACT STATEMENT

LS 6509

BILL NUMBER: SB 241

NOTE PREPARED: Feb 14, 2008

BILL AMENDED: Feb 11, 2008

SUBJECT: Department of Homeland Security Funds.

FIRST AUTHOR: Sen. Arnold

FIRST SPONSOR: Rep. Tincher

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill does the following.

Emergency Planning and Right to Know Fund. This bill provides that revenue in the Emergency Planning and Right to Know Fund may be used to maintain, repair, and calibrate equipment purchased for a hazardous materials response team.

State Disaster Relief Fund. The bill specifies purposes for which money in the State Disaster Relief Fund may be spent. It deletes existing law providing that interest accruing from investments in the State Disaster Relief Fund is deposited into that fund.

Fire Training Infrastructure Fund (FTIF). The bill provides that money in the Regional Public Safety Training Fund that remains unencumbered at the end of a state fiscal year must be transferred to the FTIF. (Current law provides that money in the Regional Public Safety Training Fund that is not appropriated to the fund is transferred to the FTIF.)

Rules. The bill permits the Department of Homeland Security (DHS) to adopt emergency rules to implement changes to the State Disaster Relief Fund. It also makes technical corrections.

Permits Issued to Schools. The bill provides that an amusement and entertainment permit issued by the Division of Fire and Building Safety to a school expires one year after the date the permit is issued, rather than on December 31 of the year in which the permit is issued.

Effective Date: (Amended) Upon passage; July 1, 2008.

Explanation of State Expenditures: *State Disaster Relief Fund.* The fund, which is administered by the DHS, was established to provide financial assistance to eligible entities in paying for the costs of damage to public facilities or individual property resulting from disasters. The proposal specifies that the costs of damages include repairing, replacing, or restoring public facilities or individual residential real or personal property damaged or destroyed by a disaster. Because the DHS is authorized to pay for response costs incurred by the state or a local unit of government, the proposal could result in more money being paid from the fund. The DHS may provide financial assistance from the balance in the fund that is unobligated on the date the disaster occurs. As of December 21, 2007, the fund had a balance of \$2.7 M. The bill deletes a provision that provides that the interest that accrues from investment of the fund must be deposited in the fund. Consequently, interest would be deposited in the state General Fund.

Fire Training Infrastructure Fund (FTIF). Existing law provides that any amount remaining in the Regional Public Safety Training Fund that was not appropriated to the fund be transferred to the FTIF. The bill provides that any money that remains unencumbered at the end of a state fiscal year be transferred to the FTIF. As of December 26, 2007, the FTIF fund had a balance of \$2.2 M. The Regional Public Safety Training Fund had a balance of \$1.8 M.

(Revised) *Permits Issued to Schools.* The bill provides that an amusement and entertainment permit issued by the Division of Fire and Building Safety to a school expires one year after the date the permit is issued, rather than on December 31 of the year in which the permit is issued. This provision will have no significant fiscal impact on the DHS.

Rules. The DHS may adopt emergency rules. The DHS should be able to cover any additional costs associated with rule adoption given its existing level of resources.

Explanation of State Revenues: (Revised) *State Disaster Relief Fund.* The bill deletes existing law providing that interest accruing from investments in the fund is deposited into that fund. The interest would be deposited in the state General Fund. This provision will have little impact, if any. The DHS has no evidence of having received interest in the fund in the past.

Explanation of Local Expenditures: *State Disaster Relief Fund.* See *State Expenditures* above.

Emergency Planning and Right to Know Fund. The proposal provides that revenue from the fund may be used for maintaining, repairing, and calibrating equipment purchased for a hazardous materials response team. This provision may result in less money available for the other uses. The specific impact will depend on local action.

Background. Currently, if the local emergency planning committee has received approval for training programs from the emergency response commission, revenue distributed to the county must be used for

- (1) preparing and updating a comprehensive emergency response plan;
- (2) establishing and implementing procedures for receiving and processing requests from the public for information about hazardous chemicals;
- (3) training for emergency response planning, information management, and hazardous materials incident response;
- (4) equipping a hazardous materials response team;
- (5) purchasing communication equipment;
- (6) paying an optional stipend to local emergency planning committee members; and

(7) paying for Title III risk communication, chemical accident-related, and accident prevention projects.

Explanation of Local Revenues:

State Agencies Affected: Emergency Response Commission, DHS.

Local Agencies Affected: Counties; local emergency planning committees; emergency planning districts; public safety service providers; eligible entities that pay for the costs of repairing, replacing, or restoring public facilities or individual residential real or personal property damaged or destroyed by a disaster.

Information Sources: Auditor's data.

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